



June 1, 2015

Honorable Michael O'Rielly
Commissioner
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Commissioner O'Rielly:

As a follow-up to information discussed during a meeting with your office in October, as well as in support of your recent comments at the WTA's Rural Broadband Spring Meeting in Palm Springs, California in early May, the Small Company Coalition (SCC) would like to provide more information concerning the various certifications and requirements with which Rate-of-Return carriers are obligated to comply.

To this end, the SCC has attached for your records our Regulatory Reduction Position Paper, including a Federal Compliance Calendar presented as an attachment to the Paper. It is important to note that the Calendar does not take into account the numerous additional regulations imposed by each carrier's respective state public utilities commission.

Furthermore, where possible, the FCC's own estimates for total burden hours were used in compiling this data. Where such information was not readily available, the SCC chose to use conservative estimates based on the first-hand experience of our companies and expertise of our consultants.

For more information, please contact me at jjkail@lhtot.com or by telephone at 724-593-8111. Thank you for your interest in this important matter.

Respectfully,

James J. Kail
Executive Committee Member

Attachment



April 10, 2015

Small Company Coalition

Thoughts and Suggestions on Reducing the Federal Regulatory Burden

- A recent analysis of the federal regulations governing small telecommunications and broadband providers has demonstrated that a small Rate-of-Return (RoR) company may spend an average of 1,490 man hours annually in order to achieve compliance and the burden is growing at an alarming rate. For example, referring to the attached Federal Compliance Calendar, the estimated average was 677 hours prior to the issuance of the FCC's USF/ICC Transformation Order in November of 2011.
- Back in the mid-1990s, there were very few, if any, FCC filings required of the small RoR companies and that was when they were still essentially operating in a monopoly environment. Ironically, the regulatory burden has been growing even though the industry has been transitioning to a very competitive world for a number of years now; in this situation, the need for regulation should lessen, not increase.
- While the SCC understands the importance of transparency and accountability in utilizing Universal Service funds to provide telecommunications and high-speed broadband services to Rural America, it is important that the regulations set in place to ensure said transparency do not come at the expense of efficiency **or integrity**. In order to avoid over-burdening small RoR carriers and draining their limited resources, the SCC has compiled the following thoughts and suggestions on how the current federal compliance calendar may be streamlined.
 - Replace Forms 499, 497, 508, 509, HCL data collection, and any Universal Service Administrative Company (USAC) filing officer certifications (excluding **Form 481**) with language on the Form 498 to authorize designated employees, consultants, and NECA to submit data electronically with email address login and USAC passwords. Also include language certifying that the officer in charge reviews data and certifies that it will be filed correctly to the best of their knowledge. The Form 498 can already be revised at any time, so it would allow for changes. USAC could make an annual requirement to review the authorization and certify the Form 498.
 - Eliminate Form 507 (line count filing) completely. USAC gets annual access line data from the USAC data collection anyway, and Competitive Eligible Telecommunications Carriers (CETCs) support is gone (except for Alaska, where it's still transitioning).

- Combine Forms 508 and 509 so that the combined filing is due once per year, after the preparation of forecasts and the cost study, and covering a true-up of the prior year and a forecast of the next year. Also, eliminate the confusing system of multiple fiscal year forecasts being trued up on a calendar year and being paid out two months at a time for six months in a row. Additionally the FCC should require USAC to break out ICLS revenue payments showing current period forecasts and prior true-ups separately.
- Call on USAC to break out all support payments showing the period that generated the revenue and any adjustments due to true-ups, fund caps, etc. The current lack of transparency in the system is cause for much confusion.
- Consider changing the filing of Form 477 from a semi-annual to an annual filing. This one change alone would save an estimated 387 (as determined by the FCC) man-hours. Additionally, the Form 477 has become very granular and it should be determined whether all of the requested information is truly necessary and useful in determining the extent of broadband deployment in rural areas.
- With payphones driven to near extinction, customer owned coin operated telephones (COCOT) should be eliminated entirely. Just make payphone dial around compensation bill and keep.
- At a minimum, make the Form 492 an electronic filing. It could very well be optional and only required if the FCC had a material question on earnings for non-traffic sensitive (TS) pool companies. As it is right now, the Form 492 has to be filed with three signed originals: one to one address and two to another.
- Form 481 was first implemented in 2013 and the information required with respect to this Form has been growing. Currently, it is estimated that the Form requires an estimated 100 man-hours to complete. The FCC should be asked to justify the purpose of this Form, which includes the completion of a five-year plan, and then if the Form is truly deemed necessary, serious consideration should be given to streamline the filing requirements.
- Currently, changes to a RoR company's corporate officers must be reported to USAC via Form 499A within seven (7) business days after the change occurs. This requirement should be eliminated and any officer updates should be reported through the annual filing of the Form 499A.
- Make an effort to spread deadlines out a bit more. Even two weeks (one way or the other) would offer significant relief for small companies. There are large clusters of deadlines around the end of quarters, and April 1 and July 31 are particularly onerous dates with respect to filings.
- Allow data-sharing between regulatory agencies and eliminate requirements to send copies of filings to multiple agencies (FCC/USAC/state).

Federal Regulatory Compliance Calendar
2015

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Due	Burden (Hrs)	# of Pages in Filing	# of Pages in Instructions	Pre-Transformation Order Filings	Resulting from Transformation Order	Form 477 Extra Burden Hours After Transformation Order	Form 477 Burden Hours Before Transformation Order	Note	Filing Requirement Description
Annually	1.0	3	5	x					FORM 473 Universal Service for Schools & Libraries Service Provider Annual Certification Form
Annually	5.0	1	N/A	x					Do Not Call Notification for Telecommunications Carriers
Variable due date 120 days after the last date service is received or 120 days after date of the form 486 notification letter whichever is later	1.5	4	5	x					FCC Form 474 Universal Service for Schools and Libraries Service Provider Invoice Form
N/A	2.0	Varies	N/A	x				Should review annually	CALEA Manuals
N/A	1.5	9	20	x				Review as necessary	FCC 498 SPIN and Contact Info Form
January	2.5	2	3	x					FCC Form 497 - Low Income Monthly Reporting (December)
January	2.5	24	12	x					HAC Handset Reporting Deadline - FCC Form 655
January	3.0	1	5	x					COCOT Reporting (Fourth Quarter)
January	15.0	4	7	x					FCC Form 555 - Annual Lifeline ETC Certification Form
January	2.0	3	6	x					Carrier Identification Code Report
January	44.4	14	8	x					FCC Form 502 - Numbering Resource Utilization/Forecast (July 1st - December 31st of previous year)
February	10.0	1	21	x					FCC Form 499Q - Telecommunications Reporting Worksheet (4th Quarter of previous year)
February	2.5	2	3	x					FCC Form 497 - Low Income Monthly Reporting (January)
February	2.0	1	1	x					Mandatory Access Line Forecast data collection for September access lines
February	85.0	50	Parts 32/36/69	x				Number of pages varies by company. Requires Part 36, Part 69, and support work papers	Interstate Revenue Projections (current year and subsequent two years)
February	15.0	24	9	x					Advanced Services Questionnaire
March	387.0	94	40	x		322.0	65.0	Form 477 "Guide" is 94 pages; numerous other FAQs and other documents associated with Form 477	FCC Form 477 - Local Competition and Broadband Reporting
March	15.0	3	8	x				Number of pages varies by company	CPNI Certification
March	2.5	2	3	x					FCC Form 497 - Low Income Monthly Reporting (February)
March	2.0	1	26		x				File initial study area boundary data (maps) - pending due date notice from FCC File updates (if necessary) to mapping data annually on March 15 If data does not change, certify accuracy every two years (anticipate the first such filing in 2015)
March	40.0	14	14		x				ICC / CAF Data Collection This is phase 1 of the annual data request to be filed with NECA as part of the annual access tariff filing and also to calculate ARC and CAF ICC. NECA will review and make corrections if needed. Corrected data, if any, will need to be certified by May 28.
March	1.6	1	1	x					FCC Form 508 - Projected Common Line Reporting
March	2.0	1	1	x					FCC Form 492 - Annual Rate of Return Carrier Report

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April	5.0	1	11	x				Instructions include a FAQs and other general instructions	Annual Accessibility Certification (14.31(b)(1))
April	13.5	8	40	x					FCC Form 499A – Telecommunications Reporting Worksheet (Annual reporting for previous calendar year)
April	2.0	1	40	x					Annual International Circuit Status Report
April	20.0	24	9	x					Advance Services Data Request
April	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (March)
April	3.0	1	5	x					COCOT Reporting (First Quarter)
May	10.0	1	21	x					FCC Form 499Q – Telecommunications Reporting Worksheet (1st Quarter)
May	1.0	1	1	x					IXC Deteriff Annual Certification/Geographic Rate Averaging (\$64,1900 of FCC Rules)
May	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (April)
May	1.0	2	3	x					FCC Form 395 – Common Carrier Annual Employment Report & Discrimination
June	20.0	1	1		x				Rate of Return Carrier CAF ICC Support (54.304 (d)) Any RoR carrier seeking CAF ICC support must file data for eligibility. Verify that you have supplied the necessary certification to NECA who will then submit to the FCC and USAC. This must also be filed with a state commission.
June	5.0	57	8		x			NECA FAQs is 8 pages	54.304(d)(1)
									File projected CAF ICC during upcoming funding period (July 1, XX - following June 30, XX). Filing made with FCC, USAC, state commission/Tribal entity.
June	2.0	2	2		x				51.917(f)(3) - Certify Compliance with 51.917(d)&(e) 51.917(d)(vii) - Deplicative Recovery Certification This filing is to certify that the calculation of the CAF ICC support was done in accordance with 51.917(d) & (e). Applies to carriers sharing ARC and/or receiving ICC/CAF support
June	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (May)
June	2.0	1	1	x				Filed with annual tariff/TRP filings	Accuracy Certification All carriers must file a certification regarding the accuracy of the tariff filing and TRP supporting materials
June	2.0	1	1	x					ICLS Use Certification (FCC & USAC)
July	100.0	5	41		x				Annual ETC Reporting and Form 481, including local rate floor Various reporting requirements per 54.313.
July	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (June)
July	5.3	1	1	x					FCC Form 507 – ICLS Mechanism Line Count Form (as of 12/31 of previous year) & NECA 1.3 Loop Data Request
July	3.0	1	5	x					COCOT Reporting (Second Quarter)
July	25.5	20	Parts 32/36/54	x				Number of pages varies by company. Requires Parts 32/36 data as well as supporting work papers	USF 16-1 (YE 12/31) – High Loop Cost Data Collection (USAC) (January 1– December 31)
July	50.0	25	Parts 32/36/69	x				Number of pages varies by company. Requires Part 36, Part 69, and support work papers	Interstate Separations Cost Study (January – December of prior year)
July	5.0	1	12	x					International Traffic Report
July	5.0	3	6	x					Carrier Identification Code Report
August	44.4	14	8	x					FCC Form 502 – Numbering Resource Utilization/Forecast (January 1st – June 30th of current year)
August	10.0	1	21	x					FCC Form 499Q – Telecommunications Reporting Worksheet (2nd Quarter)

Federal Regulatory Compliance Calendar
2015

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August	2.0	1	1	x					FCC Reg Fee Election
August	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (July)
August	24.0	24	47	x					Mandatory Company Services Questionnaire. Collects data for NECA including data about types of services and technologies in place
September	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (August)
September	387.0	94	40	x		322.0	65.0		FCC Form 477 – Local Competition and Broadband Reporting
October	24.0	1	1	x					Universal Support Use Certification (§ 54.314(d))
October	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (September)
October	3.0	1	5	x					COCOT Reporting (Third Quarter)
November	10.0	1	21	x					FCC Form 499Q – Telecommunications Reporting Worksheet (3rd Quarter)
November	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (October)
December	2.5	2	3	x					FCC Form 497 – Low Income Monthly Reporting (November)
December	2.7	1	1	x					FCC Form 509 - Actual Common Line Reporting
December	35.0	4	7	x					Lifeline Customer Recertification (54.405(e)(4)) Recertification process must be completed during the year, results to be reported on Form 555 by January 31 of the following year
Total Burden Hours	1490			677	813	644	130		
Federal Filings	62								
Number of Pages		576	585						

	Filings in yellow do not have specific burden estimates published by the FCC and represent an estimate based on our actual experience in dealing with the filing or analysis of the rules
	Filings with this color depict the burden estimate published by the FCC

NOTE: THIS CALENDAR IS A GENERAL GUIDELINE ONLY AND MAY NOT INCLUDE EVERY REGULATORY DEADLINE. DUE DATES MAY CHANGE AND FILINGS MAY BE ADDED OR REMOVED THROUGHOUT THE YEAR. FILINGS LISTED MIGHT NOT APPLY TO ALL CARRIERS. THIS CALENDAR DOES NOT INCLUDE STATE FILING REQUIREMENTS OR NECA SETTLEMENT REPORTING REQUIREMENTS, HOWEVER IT DOES INCLUDE MANDATORY FILINGS THAT ARE REQUESTED BY AND SUBMITTED TO NECA. THE NUMBER OF PAGES OF INSTRUCTIONS IS SIGNIFICANTLY MORE THAN REPORTED ABOVE IN COLUMN "C" AS MANY PARTS AND SUBPARTS OF FCC RULES ARE NECESSARY TO PREPARE SOME OF THE FILINGS